Glossary

The following definitions are provided to supplement or emphasize the terms commonly used in the IRP program.

Agency IRP Funds – are the IRP loan proceeds that initially establish the IRP RLF. These include: (1) IRP loan proceeds disbursed by USDA to the intermediary and (2) all funds that the intermediary contributes to combine with IRP funds to establish the IRP RLF. Agency IRP funds are considered "FEDERAL FUNDS." Prior written concurrence from USDA is required before lending these funds. USDA must perform an environmental analysis for loans made with Agency IRP funds.

Intermediary – An entity that receives loan or grant funds to establish a revolving loan fund (RLF) for relending to others (who are the ultimate recipients).

IRP Revolving Loan Fund (IRP RLF) – A group of assets, obtained through or related to an IRP loan, including a revolving loan fund (RLF) created at least in part with IRP funds. These assets, along with their related liabilities, revenues, and expenses, are to be kept in a separate and distinct from the intermediary's other assets and liabilities. The IRP RLF is to be accounted for as a separate enterprise from the intermediary's other financial activities.

Revolved IRP Funds – are those funds generated from the operation of the IRP RLF. These include: (1) interest earned from IRP RLF funds on deposit, (2) fees collected in connection with IRP RLF loans to ultimate recipients, and (3) funds from the repayment of principal and interest on IRP RLF loans to ultimate recipients. Revolved IRP funds are NOT considered "FEDERAL FUNDS." No prior written concurrence from USDA is required before relending these funds. No USDA environmental analysis is needed for loans made with revolved IRP funds.

Revolving Loan Fund (RLF) – Loan programs operated by economic development organizations for businesses that are cannot qualify for regular bank loans. These types of loan programs are commonly referred to as "revolving loan funds" or RLFs. This is because the loan funds "revolve," i.e., they are loaned out to businesses, and when the loans are repaid, they are used again and again to finance other businesses. If the RLF is operated in a prudent manner, it can cover all its operating expenses (administrative costs, loan losses, etc.) and continue providing loans indefinitely.

Rural Development Loan Fund (RDLF) – These were IRP-like loans made by the Department of Health and Human Services in the 1970's and 1980's. RBS has assumed responsibility for the servicing of this portfolio in 1985 under its IRP regulations (1951-R). There are only a few of these. Contact your State Office to determine if there are any in your state.

Ultimate recipient (UR) – The recipient of a loan from an intermediary lender.